

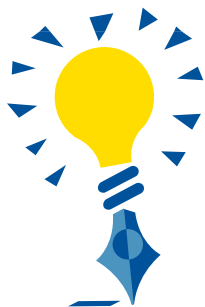
November 16, 2007

Sustainable Education in the United States: How Private Interests Can Serve the Public Good

Caroline McDermott

Article at a glance

- High competition for jobs and the rising cost of secondary education in the United States mean that many unskilled youth face dismal career prospects or unemployment.
- The private sector could cooperate with schools to develop better curricula and provide skills and vocational training for high school students.
- Youth could take a more active role in developing themselves as competent employees by optimizing new connections between students and the business community.



This article is a 2007 CIPE International Essay Competition winner in the category of education.

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published by the

Center for International Private Enterprise

an affiliate of the U.S. Chamber of Commerce

1155 Fifteenth Street NW · Suite 700 · Washington, DC 20005 · USA

ph: (202) 721-9200 · web: www.cipe.org · e-mail: cipe@cipe.org

Background

The United States may be an economic superpower, but its education system is failing to prepare young people for a future of global competition. Public spending on education continues to skyrocket. Test scores continue to plummet. The U.S. must address the glaring ineptitude of its education system in order to train and retain valuable, skilled workers who contribute to a growing economy. Furthermore, while addressing the shortcomings of its education system certainly serves American self-interest, educational reform can also have contagious global implications. In this interconnected and globalized world, we must recognize the growing role of private enterprise as a tool of political and social reform, both in the U.S. and abroad. At the local, national, and global levels, the business community is one of the most effective means to reform education and provide valuable employment opportunities for young people. Uniting the interests of young workers, businesses, educators, and policymakers will provide better solutions to America's educational woes.

Obtrusive flaws in the U.S. education system have created several serious problems, including ineffective spending, unequal access to post-secondary education, and inadequate training for employment. These problems are compounded by the changing character of the workforce through immigration and globalization. An analysis of the current situation of the education system in the U.S. must not exclude these crucial challenges.

The U.S. spends more than any other country on public education, but with disproportionately unsuccessful results. American students increasingly lag behind students of other developed countries, especially in math and science. Japanese students, however, consistently rank first or second in international test scores while expenditures per student there constitute about a third of what is spent in the U.S.¹

Further, the recent No Child Left Behind Act has produced little improvement in test scores and academic performance. Although Americans exhaust

immense amounts of local and state taxes on their public schools, private schools and charter schools often provide better education at a lower cost per student. Thus, while public education aims to guarantee equal access to education for all, inefficient public spending offers a relatively low-quality product. These inadequacies are even more evident when American students continue their education at the post-secondary level.

Competition for jobs in the U.S. increasingly depends on the level of schooling of applicants; those with a bachelor's degree are more likely to find employment than those without. Consequently, young people in the U.S. today spend more of their lives in school than ever before. A 1998 survey reported that one in four 22 to 24 year-olds were attending school, up from one in six in 1980.² As this trend continues, the U.S. education system increasingly focuses on post-secondary education because there are fewer career opportunities for those without a degree. Meanwhile, the cost of both public and private universities has risen substantially in the past few years at rates higher than inflation.³

This trend contributes to the growing earnings gap between high school and college graduates; disadvantaged youth who struggle for the means to obtain a degree find fewer ways to enter the job market. High rates of unemployment persist among minority and disadvantaged youth, especially in inner cities where public education suffers. With access to post-secondary education blocked by rising costs, these youth are funneled into a stagnant, unskilled labor pool with little opportunity for advancement. As long as public high schools fail to prepare students adequately for the workforce, employment opportunities for young people will continue to diminish.

Because academic credentials increasingly determine the employability of young Americans, there is a rift between general educational proficiency and specific job skills required by employers. Employers find it difficult and costly to train employees who do not already have the particular skills required by a specific industry. Youth may be spending more time in school, but are not necessarily

learning job-relevant skills. In the state of Colorado, for example, engineering firms like Lockheed Martin and CH2M Hill have identified a pressing need for adequately-trained future employees; both have called for improvements in math, science, and engineering programs in local public schools. The less qualified their entry-level employees, the more time and resources these companies must expend to train them. The U.S. public education system is thus fraught with inefficiency: taxpayers spend more money on public education, but youth stay out of the workforce for longer while employers spend more money training new employees.

These issues are complicated by globalization and immigration. As countries like India and China strengthen their economies, the U.S. faces more competition for markets and labor, especially in sectors traditionally occupied by unskilled workers. Unskilled American youth without proper educational qualifications frequently find their job opportunities outsourced to countries with cheaper labor. Additionally, the millions of immigrants that augment the U.S. labor supply each year further complicate educational and employment opportunities. A massive influx of children of illegal immigrants strains the ability of public schools to provide quality, relevant education, especially through English as a Second Language programs.

A recent report by the Center for Immigration Studies found that the arrival of new immigrants (legal and illegal) results in a decline in employment among young native-born workers. The study found that newly-arrived immigrants accounted for over 86 percent of new employment growth between 2000 and 2005.⁴ Because immigrants tend to work for lower wages, young native-born workers without the means to acquire academic credentials face huge job competition in the unskilled labor market. These dynamics exacerbate the problem of unequal access to education and the system's inefficiency.

Even in skilled labor sectors like business and technology, Americans face tougher competition from abroad as developing countries enter the global market. As Thomas Friedman points out in *The World is Flat*,

rapidly growing economies and advanced education systems abroad have led to a “shrinking of the pool of young people with the knowledge and skills to innovate...” within the U.S.⁵ Countries like Japan and China have specialized education systems that prepare youth for careers in science and technology and are outpacing U.S. efforts to train youth for careers in these sectors. U.S. reliance on these industries for job growth will prove more difficult as young people in other countries learn to innovate more cheaply and efficiently.

Public Meets Private: Business Can Help Solve the Problem

The most effective means to combat these problems is through the dynamic, globalizing influence of the business community itself, at the local, national, and international levels. Reforming education through private enterprise involves action on multiple fronts, but the best place to begin in the U.S. is with local and state education systems. In the decentralized U.S. public education system, it is the responsibility of each state to prepare its youth for post-secondary education and the workforce. While states are subject to national educational standards, such as those put forth by the No Child Left Behind Act, most of the power of implementation still rests with the states. This leaves room for business to have a profound impact on local education systems.

A good way to start would be to establish local coalitions of business representatives, school administrators, teachers, parents, and government officials. Local chambers of commerce are ideal venues and points of contact for these coalitions. State governments could empower these coalitions at both the district and state levels to encourage effective, site-based management of issues particular to specific communities and states. These coalitions could conduct roundtable discussions that set agreements between businesses and educators about provisions for educational enrichment, funded by a combination of tax dollars and private sector contributions.

Business involvement in education may vary, depending on the needs of the local communities,

but could include programs in cooperation with local industries to bring in guest teachers with specialized skills, monetary contributions to programs like computer training or engineering, provision of supplies and equipment, sponsorship of academic competitions and scholarships, and specialized training and increased incentives for teachers. Alongside government, educators, and parents, businesses can set benchmarks for student performance and implement policies for effectively meeting these goals.

In Colorado, Lockheed Martin and CH2M Hill have joined other businesses and educators in the creation of the Science, Technology, Engineering and Math Education Coalition, a Denver-area think tank focused on enriching those subjects in local public schools. As Bud Ahern, vice chairman of CH2M Hill and co-chair of the coalition, points out, “We need to build a working partnership with industry, government, and education to measure where our baseline is with the study of science, technology, engineering, and math, and to create incentive for students to study in these areas.” This coalition, like many other grassroots groups appearing across the U.S., looks to make progress toward long-term goals that government policymakers simply cannot afford to address.

This model can extend to national and international levels. Corporations looking to augment and improve the skills of their incoming workforce can join the U.S. Department of Education in coordinating, sponsoring, and implementing educational reform. Businesses are not limited by political boundaries, and could extend their support to education programs in developing countries. While some in the U.S. might initially criticize programs that would benefit a competing labor force, raising international competition for educational training would only serve to increase the demand for business involvement within the U.S. Tax breaks and increased marketing visibility could be offered as incentives for companies to focus on the U.S. Ultimately, such programs would recognize the overlapping interests of students, corporations, and communities to train an effective workforce and create a win-win situation for the national and international free-market structure.

Everyone Stands to Benefit

Benefits would also extend to young people, businesses, schools, and the community as a whole. At the outset, the model would benefit young people by creating connections between schools and businesses that link students with prospective employers and job opportunities. With occupational training integrated into their education, young people would increase their employability in the workforce. In addition, school-employer linkages help reduce gaps created by excessive job turnover while improving employee-job matching programs.⁶

As multiple businesses compete to draw young talent from schools, youth would benefit from the variety of training made available. Students would graduate with in-depth knowledge of both literature and techniques for journalism, biology and tracking pharmaceutical stocks, history and public speaking, calculus and computer engineering software. Students would be able to choose from a variety of enrichment programs according to their interest rather than be limited by an inflexible curriculum of academic subjects with less application to real life. Students would be able to follow their passions more freely and search for their most suitable place in the workforce. Young graduates would have valuable skills and expertise, guaranteeing their employability.

Greater business involvement would ensure more equal access to education for disadvantaged youth – especially at the post-secondary level – by offering scholarships and other merit-based monetary incentives for students. These incentives would motivate and encourage students as they seek a more direct application of their education in the working world. Youth who cannot afford post-secondary education and do not qualify for scholarships could still benefit from relationships built with employers during their secondary education, and would be more likely to find work after graduation than young people without those connections.

Businesses would benefit from overseeing the development of a qualified local workforce. Taking advantage of the decentralized U.S. education

system, businesses would be able to train and retain workers locally and efficiently. Their input in the local coalitions would allow for more efficient allocation of their fiscal contributions to practical and relevant training programs. For example, companies might supplement state funds to train youth in the latest computer technology in order to adapt their business to increasingly competitive technological markets.

Corporate involvement in education also increases businesses' visibility in the community. Businesses gain highly qualified employees, as well as securing a positive, philanthropic reputation. Moreover, private sector executives use the strengths of business to enhance corporate philanthropy through their valuable connections and management techniques. Bill and Melinda Gates, for example, have expertly funneled millions of dollars toward improving high school education through the foundation they started in 2000. John Wood, another former executive from Microsoft, established the Room to Read program, which promotes childhood literacy around the globe.

Schools, of course, stand to benefit by gaining a valuable source of funding from the business community and by being able to provide more opportunities to students at a lower cost. As immigration puts pressure on public schools, business support can ease this strain on facilities and resources. This model focuses and enhances school curriculum to align it with the demands of the labor market, improving schools' effectiveness. Businesses might offer jobs to students according to schools' rankings, thereby increasing incentives for schools to perform well. These accountability measures would likely prove more effective than the test score benchmarks set by the No Child Left Behind Act and state-level standardized testing. Disadvantaged schools would be able to negotiate with businesses and map out timelines for improvement in exchange for funding. Educators stand to benefit from programs that reward good teaching, motivating and attracting more high-quality teachers and encouraging them to use educational resources more effectively. Specialized teacher training programs would add long-term professional benefits for teachers.

A Shared Responsibility

Ultimately, the business coalition model benefits the community as a whole and pleases policymakers. It cuts excessive government spending on education, it opens opportunities for disadvantaged students, and it builds a skilled labor market. Each district and state has a vested interest in training youth to contribute to the local economy by filling and holding local jobs. At the same time, this method would increase incentives for businesses to stay at home instead of looking for opportunities abroad.

Most importantly, this model unites students' interests with those of the community, giving young people a greater stake in their own education and training. It sets an example for students that the community cannot function without the cooperation of educators, businesses, local government, and the young workers themselves as active, functioning citizens. The only sustainable way to improve education in the long term is to cultivate these shared interests and institutionalize cooperation between government, business, and civil society. Today, as private enterprise blurs boundaries between states, its capacity to connect these groups promises to improve the education and quality of life of the world's future workforce.

Notes

¹ Robert Hardaway, "School Spending Myth," *Denver Post* (May 27, 2007).

² Robert I. Lerman, "Improving Career Outcomes for Youth: Lessons from the U.S. and OECD Experience," The Urban Institute (July 2000).

³ Rob Kelley, "Average College Cost Breaks \$30,000," CNNMoney.com (October 27, 2006).

⁴ Andrew Sum, Paul Harrington, and Ishwar Khatiwada, "The Impact of New Immigrants on Young Native-Born Workers, 2000-2005," Center for Immigration Studies (September 2006).

⁵ Thomas L. Friedman, *The World is Flat*. New York: Farrar, Straus and Giroux (2005).

⁶ Lerman, 15.

CIPE's 2007 International Youth Essay Competition asked young people aged 18-30 to share their ideas about citizenship, democratic and market-oriented reform, and youth leadership. Caroline McDermott's essay, which won second prize in the 'Educational Reform and Employment Opportunities' category, was written in response to the following question: How can your country reform the educational system to give young people the right skills and opportunities to enter the workforce? To learn more about the essay competition, visit www.cipe.org/essay.

Caroline McDermott is from Centennial, Colorado, in the United States. She is pursuing a degree in political science and Spanish at Davidson College in North Carolina, and is currently studying abroad through a Davidson program in Arequipa, Peru. Ms. McDermott is especially interested in Latin American politics. She became particularly aware of the issue of education reform through an internship at the South Metro Denver Chamber of Commerce, where she helped put together a public-private coalition of business and educational interests to improve education in Colorado in science, technology, engineering, and math.

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